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July 30, 2002

Mr. Jon Wegge  
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c/o American Embassy  
Jl. Medan Merdeka Selatan 3-5  
Jakarta 10110, Indonesia

RE: Contract No. LAG-I-00-99-00036-00, Task Order No. 806  
UI Project 06967-008, Development of the Foundation for Local Government Innovation  
*Quarterly Task Order Progress and Cost Report, April to June 2002*

Dear Mr. Wegge:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, April to June 2002*, Development of the Foundation for Local Government Innovation as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Mr. John Tabor, UI/Indonesia at 62-21-390-2422 or E-mail at [tabor@cbn.net.id](mailto:tabor@cbn.net.id). Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,

Maria C. Andrade-Stern

Enclosures

cc: Dale Gredler (CTO, USAID Washington)  
John Tabor (Resident Advisor, IPA)  
Leroy Hollenbeck (CoP, Chemonics International)  
USAID Development Clearinghouse  
IAC Deliverables File (06967-008)  
IAC Chron File

**QUARTERLY TASK ORDER  
PROGRESS AND COST  
REPORT**

**APRIL TO JUNE 2002**

**DEVELOPMENT OF THE  
FOUNDATION FOR LOCAL  
GOVERNMENT  
INNOVATION**

Prepared for



Development of the Foundation for Local Government Innovation  
United States Agency for International Development  
Contract No. LAG-I-00-99-00036-00, DO No. 806



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Professional Staff

June 2002  
UI Project 06967-008

## TABLE OF CONTENTS

Task Order Description .....	1
Work Performed During the Quarter Just Ended .....	1
Project Highlights and Summaries .....	2
Task 1. General Program Support Activities .....	2
Task 2. Foundation Development .....	3
Task 3. Products and Services .....	4
Task 4. Communications.....	6
Other Activities .....	11
Recommendations.....	12
Significant Findings and Delays.....	12
Work Planned for the Next Reporting Period.....	13
Up-to-date Schedule of Work .....	15
Key Personnel .....	20

## ATTACHMENTS

Reports, Papers and Publications

CLGI Inventory List

Cost Report

## **QUARTERLY TASK ORDER PROGRESS AND COST REPORT**

**APRIL TO JUNE 2002**

### **DEVELOPMENT OF THE FOUNDATION FOR LOCAL GOVERNMENT INNOVATION**

**Task Order No.:** LAG-I-00-99-00036-00, TO No. 806

**Date of Issuance:** October 10, 2001

**Amount Obligated Under Task Order:** \$ 1,000,000

**Total Potential Task Order Amount:** \$ 5,546,216

**Dollars Expended To-date:** \$ 735,703

#### **Task Order Description**

Under this activity, a foundation will be created to support Indonesian associations of local governments, and Indonesian local governments themselves, to gain access to expert advice, analysis, and services that assist them to improve their performance. The objective is to develop the foundation as a technical service organization that is a sustainable resource of ideas, concepts, and innovations on a broad range of local government issues and sectors. The foundation is to be "owned" by local governments and their associations for the purpose of sustaining Indonesia's decentralization by enabling local governments to manage services and resources effectively. It is expected that the foundation will provide expert advice and policy analysis for use by associations in programs of advocacy on behalf of local governments. It is also expected that the foundation will seek to become a respected and authoritative clearinghouse for information on local governments with extensive links to other institutions that possess resources useful to local governments.

#### **Work Performed During the Quarter Just Ended**

This third Development of the Foundation for Local Government Innovation (DFLGI) Quarterly Report covers Project implementation from April through June 2002. It highlights progress during the quarter, significant findings, recommendations, any delays experienced in implementation, and activities planned for the next quarter. As previously reported, activities during the Project's first quarter (October through December 2001) involved a re-introduction/marketing of the Project and soliciting support from the Associations and local governments. Second quarter focused on activities which would facilitate creating a solid base for the Center for Local Government Innovation (CLGI, or the Center), laying the groundwork for establishing the Center's best practices and innovation clearinghouse, initiating the recruitment of CLGI professional and administrative personnel and undertaking various regional field visits to discuss local issues and priorities for possible innovation projects. This third quarter concentrated on efforts that brought the Center up to full operation after the move to its new office, continued the process of staff recruitment and confirmation of selected cities and districts (kabupaten) for a number of pilot innovations, finalized the



design of the Center's Clearinghouse, launched the first innovation project and policy study, and positioned the Center as the lead institution in compiling data and coordinating various donor decentralization projects in the country.

### **Project Highlights and Summaries**

The DFLGI Project Team made significant progress during the third quarter just ended. A description of the key highlights and associated deliverables according to their respective tasks as expressed in the approved DFLGI Project Workplan is provided below:

#### **TASK 1. GENERAL PROGRAM SUPPORT ACTIVITIES**

- On April 8, 2002, Project staff moved out of their temporary offices at CSSP and into the Center's new, strategically located office at Jln. Sumatra No. 4, Menteng, Jakarta Pusat, near to five of the six partner Associations, counterparts at the Ministry of Home Affairs and the Ministry of Finance (MoF), and numerous donor and/or project offices, including USAID, GTZ, UNDP and AusAID.
- The CLGI Office "blessing ceremony" (selamatan) was held on May 6, 2002. This was followed the CLGI Open House on May 23, 2002, when Mr. Syahrir of the Ministry of Home Affairs, Mr. Arlan Pakpahan of the MoF, and Mr. Terry Myers, Director of the USAID Mission in Jakarta, cut the ceremonial ribbon officially inaugurating the Center for Local Government Innovation.
- Completed CLGI office set-up, purchased and/or rented furniture and equipment including working desks, conference table, bookshelves, chairs, air conditioners, filing cabinets, computers, laptops, printers, fax machine, and copier. (For details, see attached CLGI inventory list as at June 25, 2002.)
- Successfully recruited the CLGI Office Assistant, Ms. Cynthia Jasmin Tobing (effective June 8, 2002), the Senior Accountant/Financial Manager, Ms. Susana Liswanto (who switched from her short-term to long-term contract on June 4, 2002) and the Office Cleaning and Maintenance worker, Mr. Toto Arifianto (June 4, 2002). With the two CLGI Drivers, Mr. Muhammad Hidayat (October 15, 2001) and Mr. Tjuju Djuhana (February 4, 2002), CLGI completed hiring all administrative personnel except for the center's senior secretary.
- Initiated weekly meetings with the Project's CTO to regularly report on CLGI progress and any constraints being faced in implementation.
- Initiated weekly CLGI staff meetings.

## TASK 2. FOUNDATION DEVELOPMENT

- Recruited Ms. Ida Suriany as CLGI's contract and grant manager (effective June 8, 2002). Ms. Suriany was formerly with the Partnership for Governance Reform in Indonesia (UNDP/WB/ADB) in their grants division.
- Recruited Ms. Asti Larasati as CLGI's Local Government Training Specialist (effective July 1, 2002). Ms. Larasati specializes in experiential training and organization development and has extensive experience as a training consultant in Indonesia.
- Recruited Mr. Arintoko Utomo as the Center's Local Government Finance Specialist (effective July 8, 2002). Mr. Utomo was formerly with Booz Allen Hamilton Consultants and with Citibank. He specializes in economics and public finance.
- Recruited the Center's short-term Policy Analyst, Mr. Jogjo Endi Rukmo, for a four-month assignment beginning April 26, 2002. Mr. Rukmo is supervising a review of Indonesia's decentralization Law 22/1999 and a number of its implementing regulations.
- Through a seven-month agreement with the DLG Unit of USAID, CLGI is providing office space and logistical support to Mr. Prima Setiawan, a short-term advisor on financial management aspects of decentralization. A similar arrangement will soon be made with an education specialist presently being identified by USAID.
- CLGI entered into an informal agreement with the University of Northern Illinois to finance the international and domestic (Indonesian) travel costs for one of its Indonesian Ph.D. graduate students, Mr. Anies Baswedan. Mr. Baswedan will be conducting his dissertation research on "Decentralization and Democratization" during the months of July and August 2002.
- Convened the DFLGI Project's POKJA (Working Group) on one occasion during the quarter. In addition to providing guidance and suggestions for development of the Center, the POKJA was instrumental in finalizing the Center's vision, mission and strategy statements. It is expected the POKJA will meet one more time before the end of this year, just prior to formalizing the Center's legal status. The functions of the POKJA are being absorbed by the Center as it strengthens (1) its decentralization database capacity, (2) its role as the coordinator/clearinghouse of various donor-sponsored decentralization activities and (3) its position as the secretariat for various decentralization initiatives.
- CLGI continued efforts to establish a "sister" 501(c)(3) charitable organization in the U.S. Mr. Paul Cleveland, President of USINDO, responded positively to both the proposed establishment of "sister" organization and joint USINDO-CLGI participation in promoting the Center. Arrangements have been made for the Center, with USINDO, to co-sponsor an Open Forum in Washington, DC on July 10, 2002. In preparation for this, CLGI's Project Management Unit at the Chemonics International Office in Washington engaged the DC based



law firm Vorys, Sater, Seymour and Pease LLP to prepare a very informative brief on "U.S. Tax Exempt Status for Foreign Charitable Organizations and U.S. Supporting Organization".

- CLGI staff visited with senior representatives from five of the six local government associations to explore ways the Center could be helpful to each of them in implementing their respective activities. Collaboration in the design and delivery of training for Association members and staff and the analysis of local government legislation and policies were discussed.
- CLGI was represented at the APPSI (Association of Indonesian Provinces) annual meeting held in Semarang and used the visit to promote the Center's innovation projects and strengthen relationships between the Center and the country's Governors.
- Attended the CSIS-sponsored discussion on implications of implementation of Law 16/2001 regulating Foundations. There remains concern and confusion within the Indonesian NGO community what the impacts are going to be when this law takes effect August 2002.

### **TASK 3. PRODUCTS AND SERVICES**

#### **Performance Measurement**

- The City of Pontianak, West Kalimantan, launched its CLGI performance measurement activities through a formal agreement with the Mayor of Pontianak signed on April 17, 2002. With assistance from CLGI professional staff, four performance measurement teams were formed and met to set goals and plan their work during the last two weeks of April focusing on four public services: health (17 team members), solid waste management (16 members), issuance of identification cards/KTP (16 members), and business permits/SIUP (13 members). A local government coordination team with twelve members and an administration team, also with twelve members, were established. The creation of these working groups was formalized through letter No. 196/2002 signed by the Mayor of Pontianak, on April 26, 2002.
- CLGI assisted in identifying and subcontracting a Pontianak-based non-governmental organization, the Madanika Foundation, as the facilitator for the City's working groups. The Madanika Foundation provided four persons, who with the City's working groups, helped develop an understanding of the performance measurement approach based on local conditions. Madanika will also be contracted to facilitate focus group discussions and undertake a multi-service household survey. CLGI staff made regular visits to Pontianak to ensure progress on this activity.
- CLGI assisted in coordinating the visit of Management Studies for Health (MSH) personnel to Pontianak in an effort to synchronize performance measurement activities of the two projects. MSH is implementing a USAID health project.
- The kabupaten of Sleman, Central Java, requested CLGI assistance in measuring the performance of four of its public services. As in Pontianak, local performance management



teams were formed: health (12 team members), solid waste management (8 members), building permits (7 members), and water supply (9 members). Each Sleman team was able to develop preliminary outcome indicators based on the approach and methodology provided by Harry Hatry of the Urban Institute. A formal letter of agreement between CLGI and Bupati of Sleman will be issued soon.

- From May 4 through the 17, 2002, Performance Management expert Harry Hatry, Director of Public Management Programs at UI, Washington, DC, accompanied by CLGI professional staff visited both Pontianak and Sleman to assist the performance management teams in developing performance indicators for public services and to clarify the overall performance measurement and management process. Mr. Hatry will return to review progress and lead a training program in performance management for local government staff, Associations, and consultants in October 2002.
- While in Indonesia Mr. Hatry made three presentations on performance measurement and management. He met with seven advisors of USAID and other international donors who apply performance measurement in their work. The meeting was chaired by Ms. Elinor Bachrach, USAID Governance Advisor, and took place at the offices of the PERFORM Project. On May 16, Mr. Hatry spoke to staff of the Ministry of Home Affairs and on May 17, he addressed USAID officials at USAID on the preliminary results of his work.
- Finally, Mr. Hatry participated in discussions with World Bank officials regarding possible CLGI assistance to pending local government projects that will include performance measurement activities.

### **Asset Management**

- Preparations continued for the launch of the Center's asset management assistance to local governments. The City of Yogyakarta and the Kabupaten of Sleman have asked to be pilot sites for the development of asset management plans and policies for Indonesia. Olga Kaganova, UI's asset management specialist, will review their asset inventories, policies, and practices and recommend activities for local consultants to help them.
- Identified a local consultant, Dr. Indra Bastian, to assist Dr. Kaganova during her assignment in Indonesia during July 2002. Dr. Bastian will provide technical assistance and training to two local governments in the appraisal and management of real estate, facilities, equipment and other assets owned by local governments.

### **Policy Analysis**

- CLGI entered into a subcontract with the University of San Francisco (USF) and their Indonesian Legislative Drafting Project working with five Indonesian universities. One USF expatriate advisor, four national senior editors and six national junior editors will undertake a legal review of the Indonesian Decentralization Law 22/1999 and its related implementation





regulations as input into the first CLGI policy analysis activity. The center's short-term policy analyst is leading this activity and will ensure a close working relationship with the local government associations.

### **Other Assistance**

- CLGI helped the City of Manado, North Sulawesi, to confirm technical assistance by USAID's Office of Decentralized Local Government to improve municipal solid waste management, including the river system that empties in the Bunaken National Marine Park. CLGI staff also met with City of Manado and Kabupaten Gianyar, Bali, officials to discuss their participation in asset management and other CLGI activities.
- CLGI staff met with the head of the Provincial Planning Office, Bengkulu, and Sumatra, to discuss possible CLGI interventions.
- CLGI staff met with DLG/USAID officials to begin preliminary discussions on possible CLGI assistance to the City of Surabaya.
- Undertook a focus group discussion among the members of local government associations to strengthen and improve understanding, awareness, and willingness to use CLGI as a center of their future activities.

## **TASK 4. COMMUNICATIONS**

As part of the center's capacity building and coordination function, CLGI staff participated in a number of sessions with various donors working on decentralization. A summary of each is provided below.

### **ADB**

- Dr. David Hopkins, Mr. Euan Ross, Mr. Florian Steinberg and Mr. Dudi Permadi, members of the ADB Project Preparation Team on the "Sustainable Capacity Building for Local Government Decentralization Project", visited the CLGI Office. Discussions focused on their 4.5 month TA, which is expected to propose a 5-year, US\$30.0 million loan project. Explored a possible role for the Center on the long-term project, including a facilitation/coordination function for quality control and monitoring of funds provided to the regions for capacity building. CLGI is pursuing more intensive collaboration with LAN (National Institute of Public Administration), in particular their Center for Regional Autonomy Performance Studies, as their institute was identified in the ADB TA Interim Report as a possible lead agency under the future ADB loan.
- Initiated discussions with Mr. Andrew McLernon of the ADB "Capacity Building in Urban Infrastructure Management (CBUIM) Project" (Loan 1572-INO). Assisted in linking their Project with both BIGG-Associations and APEKSI and identified resource people for their Start-

up Workshop. The CBUIM loan will close in October 2002, but an extension is under process. A "Core Team" was recently fielded for 12 months through December 2002. The Team's Statement of Work (SoW) includes strengthening performance of target local government institutions and technical service agencies (Dinas) leading to improved service delivery—an approach referred to as the Dinas Performance Management System. The center will explore possible collaboration.

- Met with Mr. Robert Rice from the Bank's Fiscal Decentralization TA and discussed CLGI activities and possible connections with the ADB Project.

## **GTZ**

- Met with GTZ advisor Mr. Gerd Sippel on the Support to Urban and Municipal Development Project. Discussed possible collaboration and grant support from this GTZ Project to the CLGI Clearinghouse and possible collaboration with their APEKSI and ADEKSI development activities. GTZ recently assigned a long-term technical advisor to ADEKSI.
- Met with Dr. Bernhard May, GTZ Team Leader, and Mr. Rainer Rohdewohld, Local Government Advisor. Discussed CLGI activities since the Donor Roundtable on Decentralization meeting last March where the Center was highlighted. It was agreed CLGI and GTZ would try to hold informal bi-weekly meetings to discuss the latest Indonesian decentralization issues. Because of the recent increasing donor interest in implementing participatory planning/performance-based planning (GTZ, USAID, World Bank, Asia Development Bank, JICA, CIDA, AusAID and UNDP), GTZ proposed that CLGI take the lead in coordinating participatory planning activities, make an assessment of what already exists in this area, collect data as an integral component of participatory planning, and obtain the latest documentation/latest draft of the Pedoman Perencanaan Pembangunan. GTZ has two advisors working on this issue that will become resources to the Center.
- Met with GTZ's Regional Economic Development Program staff, Mr. Sebastian Eckardt and Mr. Rino Sadanoer. This new GTZ development initiative for four kabupaten in Central Java will focus on developing and disseminating best practices in small and medium enterprise sector, human resource development, technology transfer, and regional economic development.

## **The International Council for Local Environmental Initiatives (ICLEI)**

- Met with Jakarta-based ICLEI staff, Mr. Lutfi Lesilolo, to discuss future collaboration, especially as it relates to the development of the local government associations.

## **IDP Education Australia**

- Met with IDP Education Australia's Mr. Tony Keen, Enterprise Development Branch Head, and Ms. Isla Rogers-Winarto, Director for Indonesia Programs. IDP's core business includes



international student services, fellowship management, assessment and evaluation, and graduate services. However, IDP is linked to a network of 37 Australian universities and is quite interested in researching Indonesian decentralization issues in collaboration with the Center. Explored mechanisms, including professional exchanges, to link their program with that of the Center, taking advantage of IDP's extensive university network. One option was for the Center to provide a venue (Clearinghouse) for visiting professors and researchers conducting research and training. Also discussed possible grants from IDP to the Center.

### **International Union of Local Authorities (IULA)**

- CLGI initiated collaboration with IULA in an introductory meeting with Mr. Terman Siregar. It was agreed the Center would take the lead in rolling out of the Local Government Authority Toolkit for local government associations.

### **PACT**

- Met with Ms. Constance Kane, Pact's Vice-President for Community Engagement. Discussed possible collaboration with the Center on organizing public-private partnerships.
- CLGI was invited to participate in a one day Panel Discussion/Workshop on "Quality Service" in Makasar, South Sulawesi. The Governor of South Sulawesi, the Mayor of Makasar and all the district heads (Bupati) in the province discussed examples of successful local government service delivery at the district (kabupaten) and city levels of government, and mechanisms to improve the quality of service delivery. Met with Pact's on-site Project advisor and discussed possible collaboration, especially in light of the fact that DINAMIS, the DFID-assisted activity in Bulukumba kabupaten, South Sulawesi, is coming to a close at the end of this year.

### **POLWATCH**

- Met with Mr. A. Pandupraja, Secretary General of Indonesia Police Watch. Discussed possible collaboration with POLWATCH and the Partnership for Governance Reform in Indonesia, which has been involved with the issue of police reform in the country. Suggested the Center participate in future meetings between the Partnership and POLWATCH to determine whether there is a facilitating role for the Center as the police reform process moves forward.

### **The Asia Foundation**

- Met with Dr. Arellano (Toto) Colongon, Jr. regarding CLGI's participation in the second phase of The Asia Foundation-executed, USAID-financed Indonesia Rapid Decentralization Appraisal (IRDA) Project. Results of Phase I of the IRDA were instrumental in assisting the Center in identifying locations for its performance measurement and asset management pilot activities.

## **The Partnership for Governance Reform in Indonesia**

- Met with the Partnership for Governance Reform in Indonesia Team Leader, Mr. Keith Morgan, on the new Support to the Partnership Project TA. This new governance initiative will focus on three target areas: Papua (Jayapura), Yogyakarta, and North Sumatra (Medan).

## **UNDP**

- Attended BUILD's three-day "Strategy for Developing a Good Governance Movement in the Regions" Service Provider Workshop held in Bogor. Met with Mr. Paul Suttmuller, BUILD's CTA, explored ways to coordinate activities of this important decentralization initiative with the Center since BUILD is coming to a close December 2002. BUILD has been successful in developing a number of useful innovations/best practices related to good governance in their partner cities. These can be housed in the Center post-BUILD for future dissemination/replication to other cities throughout the country.
- CLGI was invited to participate in the BUILD Governance Workshop in Mataram, Lombok. Presented the CLGI concept and discussed with local government officials and BUILD's Urban Management Advisor (UMA) the possibility of CLGI participation in the City's governance program.
- CLGI hosted a briefing session for UNDP's KPEL (Partnership for Local Economic Development) Project. KPEL's National Program Manager, Ety Leksono, and their Special Adviser, Ms. Jacqui Boule, described their programs objectives and activities and discussion focused on how CLGI might participate with their activities.

## **URDI**

- Met with senior URDI (Urban and Regional Development Institute) staff. URDI, initially funded by UNDP, recently became an independent organization. Because their mandate is similar to that of CLGI, efforts have been made to solidify a closer working relationship. Initial collaboration consists of sharing information, working with URDI on their TUGI Program, involve URDI in the Local Government Association Coordinating Group, and explore training synergies between the two organizations.

## **USAID**

- Met with Ms. Jody Schubert, ICMA's Senior Program Manager, Asia Regional Programs, and Mr. Geoff Swenson, CoP for ICMA's BIGG-Budget Project. Discussed continued collaboration between BIGG and the Center, with one option to focus on their future training activities with the Center playing a facilitation role.
- Attended the DAI/ARD conference on Local Government Financing of Capital Investments: Towards a Market-based Approach.



- Working with PERFORM advisors, CLGI will assist the Project as it rolls out the PDPP process to new cities and districts. The success of the PDPP national rollout program will depend heavily on the availability of PDPP services as well as the documentation of the PDPP methodology itself. The PERFORM project will develop a roster of qualified PDPP consultants and training programs and distribute that roster to local governments and other interested parties through the appropriate distribution channels. The Center for Local Government Innovation will play a key role in making available PDPP information and documentation to local government stakeholders.
- Discussed collaboration between CLGI and the Decentralized Environmental Management for Yogyakarta (DEMY) Project, a BIGG initiative. DEMY has three main project components: (1) institutional strengthening of the Joint Secretariat, (2) further improvements in the solid waste management system, and (3) enhancing integrated water quality management in the Yogyakarta area, including kabupaten Sleman, a CLGI-assisted area.
- CLGI hosted the visit of the USAID Indonesia Desk Officer, Mr. David Shroder. Other participants included TAF representatives, Ms. Hana Satriyo and Dr. Adi Abidin, and the Acting BIGG Chief of Party, Ms. Dianne Crosby. Briefed Mr. Shroder on the various decentralization activities being by the three organizations and the synergies among them.

## **World Bank**

- Met Ms. Asmeen Khan, Mr. Vic Bottini and Mr. Irfani Dharma with the World Bank Initiatives for Local Governance Reform (ILGR) Project, formerly know as K-GRIP. Although the ILGR Project will not start until late 2003/early 2004, recruitment for district facilitators (35) and regional coordinators (6) has already begun with the plan to initiate a training program for these regional staff in May 2002. Explored the Center becoming involved in curriculum development, venue selection, and identification of appropriate trainers; a follow-up meeting will be held prior to the start-up of the training program to more specifically define the Center's facilitation role. In a follow-up meeting with the Project's Mr. Paul McCarthy, the Center agreed to consider providing assistance in setting up their Project's facilitator-training program through provision of the Center's Training Specialist.
- Attended the Bank's Urban Cities Workshop—Cities Speak. Met with Dr. Hiroaki Suzuki Lead Operations Officer, East Asia Urban Sector Development Unit (EASUR), East Asia and Pacific Region, The World Bank, Washington, DC about possible collaboration with the Bank's new urban project.
- CLGI participated in the World Bank Decentralization Dialogues. Shared decentralization experiences among various countries, including China, Vietnam, Philippines and Thailand.



## Other Activities

- CLGI was designated the Secretariat for the Local Government Association Coordinating Group (LGA/CG). Two meetings have been held so far—May 24 and June 18. Members of the LGA/CG include donors providing funding or projects providing capacity building assistance to the local government Associations. To-date these are USAID, CIDA, The Partnership, GTZ, BIGG, BUILD, ICLEI and IULA.
- CLGI was both a participant to and a sponsor of the Local Governance Forum (LGF) held in Bali June 3 to 5, 2002. The LGF was a side event of the PrepCom4 Meetings leading up to the World Summit on Sustainable Development, which will be held in Johannesburg, South Africa late August/early September 2002. CLGI, assisted by BIGG, identified a speaker for the LGF—the Mayor of Bukit Tinggi—who prepared a paper and gave a presentation on the success of performance budgeting being implemented in the City. Attendance at the LGF also provided an opportunity for CLGI staff to network with other national and international institutions involved in local government and governance issues.
- CLGI was represented at a seminar sponsored by FIKB (Forum Inovasi Pemerintahan yang Baik—LPEM/UI). FIKB is another institution concerned with performance measurement.
- The Innovation and Best Practices Clearinghouse was developed through the following activities:
  - A focus group discussion of local government information needs and resources was held at the Millennium Hotel, April 9, 2002. Representatives attended from five local government associations, several Indonesian NGOs, and the USAID BIGG Project.
  - The CLGI short-term Information Management Specialist, Ms. Juliana, and Clearinghouse Secretary, Ms. Srie (Judy) Harianto, were retained to design the Center's Best Practices Clearinghouse and to begin the acquisition and classification of materials provided by donors and other institutions.
  - The Clearinghouse Reading Room and Multi-Purpose Room were fully furnished according to specifications and ready for use in May. Five new computers (operating system: Windows XP) were installed in the reading room and multipurpose rooms, all networked.
  - The Center's short-term Information Management Specialist attended the IT and Communication Exhibition in Jakarta and pursued discussions with potential Clearinghouse web site development companies.
  - Recruitment of candidates for the Information Clearinghouse position was effected through the Karier.com website in May. Interviews of candidates were held and one candidate was selected. However, agreement with the leading candidate could not be reached regarding



compensation, and recruitment was renewed through advertising in the Kompas Newspaper. 50 candidates applied for the position, and interviews are now underway.

- Reports, books, journals, papers, and other documentation from the associations, donor agencies, and CLGI-produced materials have started to be received by the Center's Clearinghouse. These are currently being classified/catalogued/coded by subject area using the freeware software (CDS ISIS). Data entry is being done with the assistance of the Clearinghouse Secretary. Updated classification systems are on order for delivery to the Clearinghouse.
- Discussions were held in April and May 2002 with an information systems firm in Jakarta, regarding assistance in developing and operating an online database and website for the Clearinghouse. The firm was unable to provide the required services.

### **Recommendations**

- Produce a shelf-list of all materials received to date as a temporary catalog for the Clearinghouse.
- Start a more structured mechanism to work on website development and strategize on obtaining materials for the Clearinghouse.
- The Center should continue to promote the concept of "selling sustainability"...the establishment of a center that, through its clearinghouse function, will be able to collect, house, re-formulate and disseminate innovations/best practices throughout Indonesia on a sustainable basis.
- The center needs to develop a strategy for encouraging the private sector to contribute to the center's activities. This could include promoting the center as an institute that can assist in improving the business climate in the regions through a policy of using its endowment to encourage innovations/best practices in good governance. The center could hand out awards, called the CLGI Awards for Innovations in Local Governance, as an incentive for other regional/local governments to improve their service delivery and performance.

### **Significant Findings and Delays**

- Freeware for library system was only successfully installed in some of the older computers (operating system: Windows 98 or ME). It could not run under the new Windows XP system.
- Incompatibility in the computers' operating system meant that the library software could only be used and accessed by computers with Windows 98/ME system (not in the clearinghouse). The delay in development of the Clearinghouse is attributable particularly to the difficulty in recruiting a qualified candidate for the Knowledge Management/Information Specialist position. The constraint has primarily been the compensation which could be offered. Efforts continue to

employ a suitable professional in library science and information systems (i.e., a knowledge management specialist).

### **Work Planned for the Next Reporting Period**

The following activities are planned for implementation during the next quarter:

#### **Task 1. General Program Support Activities**

- Efforts will be made to complete recruitment of the remaining CLGI administrative position, senior secretary.

#### **Task 2. Foundation Development**

- CLGI will co-sponsor an Open Forum in Washington, DC entitled Decentralization Revisited: Indonesia's Experiment with Regional Autonomy. Senior executives from the private sector, USAID, and the Indonesian Embassy will discuss general Indonesian decentralization issues and the role of the Center for Local Government Innovation in Indonesian decentralization. Efforts will be made to promote the Center, sell the Center's concept to prospective sponsors, identify "champions for the Center's Board of Directors and to move closer to formally establishing the "sister" 501(c)(3) charitable organization in the U.S.

#### **Task 3. Products and Services**

- The Performance Measurement projects in Pontianak and Sleman will continue, with focus group discussions and household surveys scheduled for July and August, and performance measurement systems installation occurring by the end of 2002.
- Performance Measurement Training for certification of local consultants will be designed and developed during July-September, for presentation in October 2002. Harry Hatry will return to lead this training, with cases and materials prepared by the Center's Local Government Management Specialist and Training Specialist.
- During July 2002 Mr. Indra Bastian, an asset management local consultant, will prepare a copy of the design and supporting materials developed for the asset management workshop, describing the activities conducted, names of participants, results, and recommendation for follow-up; a copy of the revised asset management guidance materials, upon conclusion the preparation of asset management for two local governments by the CLGI counterpart; a short trip report describing the activities, schedule, persons contacted, and results of the assignment.





- On July 5 and 6, 2002, the policy analysis activity will start with an orientation meeting about guidelines for preparing the research report. This will be followed by a 20-day work period where the ten editors, under expatriate supervision, will work in teams of two. The editors, the expatriate USF expert and CLGI staff will meet for a compilation session in Bali for two days late August. During the compilation meeting the editor teams will present their five draft research reports including a structured critique session review of findings and recommendations. The CLGI team and editors will work together to determine the most appropriate format for five final research reports.
- Preparation of the subcontract entitled "Performance Measurement Support Services for the Kabupaten of Sleman." At the end of the April to June 2002 quarter, CLGI's Technical Evaluation Committee recommended the organization Satunama, the best of three, to be the subcontractor. This subcontract activity will start mid-July 2002 and will consist of the following activities: focus group discussion, multi-service household survey, working group meeting facilitation, analysis and reporting.
- Asset Management projects will be launched in the City of Yogyakarta and Kabupaten of Sleman, with the assistance of Urban Institute expert Olga Kaganova during July 2002, supported by the Center's Local Government Finance Specialist and several Indonesian consultants. The Cities of Yogyakarta, Manado and Pontianak, and the Kabupaten of Sleman will also participate in asset management training conducted by Dr. Kaganova in July and receive implementation assistance from the consultants thereafter, with distance guidance and support by Dr. Kaganova.
- Certification training for local consultants in Asset Management is also being planned for implementation for Year two of the DFLGI Project. The Local Government Finance Specialist and Training Specialist will develop this program with guidance of Dr. Kaganova and the participation of the local consultants who delivered assistance to the five local governments during July to September 2002.

#### **Task 4. Communications**

CLGI staff will complete interviews and selection of a candidate for the Knowledge Management/Information Specialist position and will continue to implement the following activities:

- Prepare a directory of expert consultants and organizations in the field of decentralized local government, and circulate this directory through the local government associations to all local governments who request it.
- Acquire materials describing best practices for local government.
- Apply the classification system to acquired Clearinghouse materials.



- Develop the Clearinghouse database and website.
- Contract for online services to operate the Clearinghouse database and website.
- Acquire, label, and stock Clearinghouse shelves with innovation and best practices documents.
- Launch the Clearinghouse.
- Publish the first CLGI Newsletter.

### **Up-to-date Schedule of Work**

The following tables list the upcoming work.

**Task 1. General Program Support Activities**

No.	Activities	Deadlines	Responsible Parties	Benchmarks
1	<b>Mobilization of Project Personnel</b>  Project Staff:  —Chief of Party —Technical Services Director —Secretary (short-term) —Office Assistant	October 01 to January 02   October 01 December 01  February 02 June 02	Hollenbeck, Tabor, USAID, UI, Chemonics PMU	Staff recruited and on board
	<b>Initial Workplan Preparation/Approval</b>	October 01 to January '02	Hollenbeck, Tabor, DLG/USAID, MoF, UI, Chemonics PMU	Initial Workplan prepared; approved by USAID
	<b>Performance Monitoring Plan</b>	January 02	Hollenbeck; CTO/USAID	Performance Monitoring Plan incorporated in Workplan
	<b>Semi-Annual Workplan Review</b>	April 02	Hollenbeck, Association and other stakeholders	Stakeholder participation in Workplan
	<b>First DFLGI Annual Report and Workplan Update</b>	Mid-October 02	Hollenbeck, DLG/USAID	Revised Workplan for 2003 and 2004
	<b>Internal USAID Evaluation</b>	Mid-October 02	DLG/USAID, Hollenbeck	Revised Workplan for 2003 and 2004



## Task 2. Foundation Development

No.	Activities	Deadlines	Responsible Parties	Benchmarks
	Legal and Institutional Assessment of Indonesian Organizations	December 01 to January 02	Hollenbeck; two short-term consultants	Paper produced
	Working Group (POKJA) Formation and Activation	January 02	Hollenbeck; Association representatives	Paper produced on Foundation organization and structure
	Locate and Rent Foundation Office	January to April 02	Hollenbeck; Chemonics Jkt staff	Office rented
	Recruit and Hire Foundation Staff:  — Executive Director — Decentralization Policy Analyst — Local Government Management Specialist — Local Government Finance Specialist — Training Program Manager — Contract and Grant Manager — Information Specialist — Sr. Accountant and Financial Manager — Senior Secretary — Office Manager — Driver 1 — Driver 2 — Cleaning/Maintenance	October 01 to October 02  October 02 September 02 March 02  July 02  July 02 June 02 August 02 June 02  July 02 October 02 October 01 February 02 June 02	Hollenbeck; DFLGI Project Team	Staff recruited
	Prepare Organization Development Plan	April to September 02	Hollenbeck; DFLGI Project Team	Plan produced
	Foundation Staff Training	February to September 02	Hollenbeck; Foundation Training Manager	Participant and Instructor Evaluations
	Prepare Resource Development Plan (Business Plan) Including budget centers	July to September 02	Hollenbeck; DFLGI Project Team	Plan produced
	Foundation Establishment Dedication Ceremony	September 02	Hollenbeck; DFLGI Project Team	Established Foundation
	Establish "Sister" Foundation in US	January to October 02	Hollenbeck; UI-DC; Chemonics PMU;	Decision whether to proceed with 501c3 charitable organization

**Task 3. Products and Services**

No.	Activities	Deadlines	Responsible Parties	Benchmarks
	<p>Planning, Monitoring and Evaluation</p> <p>Formation of local government advisory committee; use of rapid assessment by Asia Foundation to determine the State of Local Government Performance; identify Performance Indicators, Policy Issues, Training Needs, and Market Demand for Center services in policy, management and finance</p>	April to July 02	Tabor, Advisors, and Foundation Specialists for Policy, Information, Management and Finance, and Training Manager	<p>Meetings of Advisory Board, plus Survey Results Reports on:</p> <ol style="list-style-type: none"> <li>1. State of Local Government</li> <li>2. Policy Issues</li> <li>3. Management, Finance, and Service Needs</li> <li>4. Training Needs</li> </ol>
	<p>Consultants and Resource Organizations</p> <p>Identify and select expert consultants and organization, who can assist the Center in its activities</p>	April to October 02	Tabor and all Foundation program specialists and managers	Directory of experts and resource organizations for Center activity support
	<p>Policy Analysis</p> <p>Engage the Associations to effectively address a range of policy issues which will assist them in their advocacy efforts</p>	Mid-October 02	Hollenbeck, Policy Specialist, short term consulting experts, and representatives from the Local Government Associations	Policies for improvement of local government decentralization legislation and regulations, accepted by the Associations
	<p>Innovations</p> <p>Design of two Services to Improve Performance in Management and/or Finance of selected local governments</p>	Mid-October 02	Tabor and Management and Finance Specialists, plus selected expert consultants	Documents describing the services and implementation plan for selected local governments
	<p>Certification Training</p> <p>Tested designs and materials for one training program for local governments and their associations, leading to certification</p>	October 02	Tabor and Training Manager, plus selected expert consultants	Training designs and materials, in Indonesian, with formative evaluation reports

**Task 4. Communications**

No.	Activities	Deadlines	Responsible Parties	Benchmarks
	<b>Infrastructure</b>  Establish or contract for communications infrastructure, including computers, software, telecommunications, Internet connections, website development, publishing capability, furnishings, and technical support	February to September 02	Information Specialist	Test results from trial use of communications infrastructure
	<b>Assessment of Information Needs and Accession of Resources</b>  Conduct surveys of local government and association needs and problems, and related best practice examples, materials, and resources available to assist them	February to May 02	Tabor; Information consultant; cooperating local government association staff	FGD and responses from local governments, associations, and resource organizations, plus directories and cross indexes for database
	<b>Clearinghouse Formation and Trial Launch</b>  Establishment and trial launch, Clearinghouse library, database, network, and website, for local governments and associations	April to September 02	Tabor; Information Specialist; user group	Preliminary Clearinghouse to be tested by a core user group
	<b>Clearinghouse Trial Use, Formative Evaluation</b>	Mid-October 02	Information Specialist; user group	Formative evaluation report
	<b>Final Preparation and Formal Inauguration of Clearinghouse</b>	November 02	Tabor; Information Specialist; user group	Inauguration Ceremony
	<b>Newsletter</b>  First issue Foundation Quarterly Newsletter	Mid-October 02	Tabor; Information Specialist	First edition Newsletter



## **Key Personnel**

Mr. Leroy Hollenbeck, CoP and Executive Director-CLGI, Chemonics (Subcontractor to the Urban Institute); Dr. John Tabor, Director of Technical Services, Institute of Public Administration; (Subcontractor to the Urban Institute); Dr. Alit Merthayasa, Local Government Management Specialist, Urban Institute; Ms. Ida Suriyany, Contract/Grant Manager, Chemonics; Mr. Arintoko Utomo, Local Government Finance Specialist, Urban Institute; Ms. Asti Larasati, Training Specialist, Urban Institute; Ms. Susana Liswanto, Senior Accountant/Financial Manager, Chemonics; and Ms. Cynthia Jasmin Tobing, Office Assistant, Chemonics.

## **ATTACHMENT**

### **Reports, Papers and Publications**





## **Reports, Papers and Publications**

1. Hasan, Azwar, Review of Legal, Administrative and Tax Aspects in Nonprofit-oriented Organizations in Indonesia (English and Indonesian), January 2002.
2. Juliani, S., Assessment of Legal, Administrative, Financial and Other Relevant Aspects of Indonesian Organizations as Input Toward the Formation of a Center for Local Government Innovations (English and Indonesian), January 2002.



## **TABLES**



### CLGI INVENTORY LIST

No.	Description	Model	Unit
<i>Computer Equipment</i>			
1	Desktop	Compaq Deskpro	2
2	Desktop	Compaq Presario	8
3	UPS	APC BP 500i	11
4	Printer	Laserjet 1000	3
5	Printer	Laserjet 1200	1
6	Printer	Deskjet 920CXI	1
7	Notebook	Compaq Presario	3
8	Scanner	HP 5400	1
9	Cable Modem	D - Link DCM 200	1
10	Printer Server	D - Link DP101	1
11	Broadband Router	USR 800	1
12	Switch 16 Port	D-Link	1
<i>Furniture</i>			
1	Manager's Chair		10
2	Secretary's Chair		2
3	Meeting Chair		28
4	Student's Chair		25
5	Clearinghouse' chair		12
6	Working Desk		14
7	Mobile Drawer		4
8	Meeting Table		2
9	Side Table		7
10	Computer Desk		5
11	Bookshelf		5
12	Filing Cabinet		7
13	Bookrack		3
14	Hanging Bookrack		14
15	Panel/partition		6
<i>Air Conditioner</i>			
1	Air Conditioner	Eolia 1.5HP	2
2	Air Conditioner	National 1HP	2
<i>Phone</i>			
1	PABX	Panasonic TA - 616	1
2	Telephone Display	Panasonic KX - T7330	3
3	Telephone Standard	Panasonic KX - T7350	6
4	Telephone Single Line	KX - TS3MX	6
5	Cell phone	Motorola 7689	2
6	Cell phone	Motorola 189	1
7	Cell phone	Motorola T190	1
8	Cell phone	Nokia 5110	2
<i>Other</i>			
1	Fax Machine	Panasonic KXF P 302CX	1
2	Infocus	LP-280	1

No.	Description	Model	Unit
3	TV	Sony 29"	1
4	Flip Chart		4
5	White Board		5
6	Portable Screen		1
7	Cash box		1
8	Brandkast	Royal	1
9	Refrigerator	LG GR-232DV	1
10	Microwave	Usatech	1
11	Rice Cooker	Miyako	1
12	Blender	Miyako	1
13	Dining Table		1 set
14	Stove		1
15	Gas Tank		2
16	Regulator		1
17	Dishes	2 tea set, 1 dinner set,	